

September 27, 2007



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Mr. Chairman, I thank the chairwoman, Ms. Velázquez, for her assistance in putting together the Small Business Investment Expansion Act. I appreciate the opportunity I have had to work with Mr. Chabot and Mr. Graves, to work with both of them to produce a bipartisan bill that will benefit small businesses across this country. Their input was invaluable, and I thank each of them for their leadership.

I represent a district that extends north of Pittsburgh which is home to world-class universities. Western Pennsylvania has thousands of small business innovators who are doing cutting-edge research and development in the life sciences. Western Pennsylvania's entrepreneurs have created numerous success stories; however, many of these companies did not become success stories overnight. Each of them had their challenges. Unfortunately, thousands of small businesses are formed each year that are unable to take that next step and overcome the capital expenses necessary to keep their businesses afloat during the early going.

Part of the problem resides within the Small Business Administration's investment programs. The current Small Business Investment Act was written in 1958 and simply did not envision the type of capital environment that exists today in the 21st century. This antiquated law has led to inefficiencies in the SBA that contribute to an annual shortfall of \$60 billion in unmet capital needs for American small businesses. Small businesses often require an infusion of private investment to purchase additional assets, such as equipment, office space and personnel. But the private investment can be difficult to acquire.

To address the substantial unmet capital needs of small businesses in western Pennsylvania and across the country, I introduced the bill we are debating today, the Small Business Investment Expansion act. My bill will improve the environment for small businesses by expanding access to two vital sources of investment: venture capital and angel investments. Not only do small businesses require investment capital, they also require support that will allow them to do research and development. Current regulations prohibit a number of these small firms from qualifying for support offered through Federal initiatives due to their venture ownership. With this legislation, we can create a fix that reflects the reality of today's climate, that there are many small companies entering into industries that depend on this type of investment as their primary financing option.

Small businesses are the backbone of our economy. It is critical that the Federal Government do more to connect these small firms with the capital investment required for them to succeed. This bill modernizes the SBA's investment programs and creates an environment that facilitates the flow of capital to small businesses. This bill will create jobs, grow the economy, and help thousands of entrepreneurs grow from startups into thriving small businesses.

Mr. Chairman, for that reason, I strongly support this bill. I encourage my colleagues to vote for it.